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Obey-Oberstar Broker Air Quality Deal to Keep Great Lakes Ships Afloat

Washington DC – Wisconsin and Minnesota's two senior Members of Congress have brokered a deal that will keep new clean air rules from devastating shipping on the Great Lakes. At the same time the Environmental Protection Agency (EPA) will begin implementing new rules aimed at reducing sulfur emissions throughout the United States, including the Great Lakes region.

"This compromise will allow EPA to go ahead with a new clean air rule without sinking the Great Lakes fleet – and all the jobs it creates in the region," said Obey, who Chairs the House Appropriations Committee, which oversees the EPA budget.

"The goals of clean air and a strong economy are not mutually exclusive," said Oberstar. "This deal allows the economic recovery to continue on Minnesota's Iron Range by ensuring that Great Lakes shipping is not unfairly disadvantaged by new EPA rules."

This summer, the EPA released a proposed rule that would limit sulfur emissions from ships within 200 nautical miles of U.S. coasts, including the Great Lakes. "Unfortunately, the EPA did not look at how the proposed rule would impact the Great Lakes region," said Oberstar. "Shipping on the Great Lakes accounts for a small fraction of the pollution caused by the maritime industry, but it handles half of all of the taconite used in domestic steel production. Increasing the costs of Great Lakes shipping will drive up the price of American steel products, jeopardizing our economic recovery."

Half of the ships currently operating on the Great Lakes comply with the new EPA rule. The new rule would hit the small Great Lakes shipping fleet particularly hard, by putting 13 steamships out of business completely because they cannot burn the cleaner fuel, and endangering the operations of 13 diesel-powered ships with Category 3 engines because of increased fuel costs. The EPA did not conduct a thorough review of the consequences and economic impact on the region, which has already been hard hit by the poor economy.

Putting the "Lakers" out of business would not only devastate the regional economy – with thousands of U.S. steel, mining and manufacturing jobs at risk – it could actually increase air pollution. A Great Lakes ship emits 18 tons of carbon dioxide to move 1,000 tons of cargo 1,000 miles. If that cargo were shifted to a railcar, it would emit 55 tons of carbon dioxide for the same job. A truck would emit 190 tons.

Recognizing those problems, Obey and Oberstar helped broker a three part compromise:

1. The Great Lakes steamships will be exempted from the new regulations. The steamships cannot burn low-sulfur fuel without risking a catastrophic engine explosion;
2. The final rule issued by EPA will include a waiver provision to address either the inadequate supply of low sulfur fuel or serious economic hardship caused by the increased cost of such fuel. The Category 3 diesel ships on the Great Lakes would be able to apply;
3. EPA will evaluate the economic impact of the final rule on Great Lakes carriers, and issue a report within six months.

The compromise language was added to the Interior Environment Appropriations bill, which falls under the jurisdiction of the House Committee on Appropriations Committee, which is chaired by Obey. That bill passed the House today and was sent to the Senate where it is expected to pass.

“This is just plain common sense,” Obey said. “I’m glad that we’ve been able to bring the plight of workers and businesses in places like Superior and the Great Lakes region to the attention of the bureaucrats at the EPA so that we get a more rational and balanced approach to dealing with our nation’s economic and environmental challenges.”

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